

DISPATCH

CLASSIFICATION
R Y B A T /
S E C R E T

PROCESSING ACTION

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| TO | Chief, European Division | XX | MARKED FOR INDEXING |
| INFO. | Chief of Base, [] | | NO INDEXING REQUIRED |
| FROM | Chief of Station, [] | | ONLY QUALIFIED DESK CAN JUDGE INDEXING |
| SUBJECT | R Y B A T [] C A T O M I C Heinz WESTPHAL, Abortive Recruitment Attempt | | MICROFILM |

ACTION REQUIRED - REFERENCES

- References: A. [] 7169
 B. [] 9393
 C. DIRECTOR-050324
 D. [] 9399
 E. [] 7339
 F. [] 7370
 G. EGNW-9725 (TP)

SUMMARY

1. Subject was first mentioned as a possible unilateral recruitment prospect by CATOMIC/3 in November 1969. Since that time, CATOMIC/3 had consistently mentioned his "friend" (Subject) and urged that the Americans establish a relationship with Subject, either through CATOMIC/3 or directly. CATOMIC/3 indicated that quite extensive discussions had taken place between him and Subject to the degree that Subject had shown a willingness to enter into a unilateral clandestine relationship with us. Finally, the Station decided to act on CATOMIC/3's suggestions and proposed sending a Station officer to Hamburg in order to establish direct contact with Subject in order to determine the possibilities of Subject's unilateral cooperation. [] and Headquarters responded negatively urging that direct contact not be initiated since it seemed premature; [] suggested that CATOMIC/3 attempt to obtain more information from Subject in order that a judgment of Subject's potential value could be made while at the same time protecting us from a possibly highly damaging situation. Heeding the admonitions of [] and Headquarters (while frankly not in agreement with this more cautious approach), the Station began to prepare the review materials requested for pouching while at the same time initiating those additional exploratory feelers suggested by []. At this point, we were admittedly caught off balance when CATOMIC/3's contact

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Distribution:

Orig. & ✓ - Chief, EUR (w/Attachment h/w)
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NAZI WAR CRIMES DISCLOSURE ACT

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| CROSS REFERENCE TO | DISPATCH SYMBOL AND NUMBER | DATE |
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| [] | 41328 | 11 August 1970 |
| EXEMPTIONS Section 3(d) | (2)(A) Privacy [] (2)(B) Methods/Sources [] (2)(G) Foreign Relations [] | HQS FILE NUMBER File in [] 32W-6-195/3 |

R Y B A T / S E C R E T

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to Subject precipitated just those reactions feared by [] [] By this writing, and as described in greater detail further below, it has become obvious that CATOMIC/3 misjudged Subject and that we misjudged CATOMIC/3. Finally, we wish to assure [] [] and Headquarters that despite the unfortunate results, the Station did not move forward in an arbitrary manner with a disregard for the operational equities involved and the bureaucratic requirements; we trust that this dispatch will clarify just what was done, the intent with which any actions were taken, and the steps taken to nullify any damage.

GENESIS

2. In October 1969, CATOMIC/3, as he had done previously in the past, mentioned to his (then new) case officer [] that he thought the German Government was not doing enough against the Soviets, that the Communist influence was an ever-present threat, etc., etc. During his entire operational history with us, Subject has spoken out in this vein. To his previous case officer, he had often talked of doing more for us and had offered as a good agent candidate a friend of his in Spain who had worked with him during WW II. In this October 1969 discussion, CATOMIC/3 first alluded to friends and contacts of his in various parts of Germany who would be willing and able to aid us if we needed any thing. In early November, C/3 mentioned that he had a good friend in Hamburg who could help us if we ever needed anything there; the good friend was not named. In late November, as a result of questions posed to him, C/3 identified his friend (Subject) whom he had first met when he (C/3) had worked for Christel Magazine in Hamburg.

3. In January 1970, when asked again about his friend, C/3 reported that he had spoken (over the telephone) with Subject over Christmas at which time the latter had reassured C/3 that he would be willing to be of help if asked. In the next several months, C/3 mentioned Subject at almost every meeting and offered to make the introduction personally. In April, C/3 mentioned that he planned to visit his friend (Subject) when on vacation in the Hamburg area. At this time, the case officer prepared a special memorandum summarizing our information on Subject; the memorandum, dated 2 April 1970, is transmitted as Attachment A to this dispatch. This is the same memorandum mentioned in Reference A.

4. On 24 April 1970, while on vacation in Schleswig, C/3 called in to report that he had seen his friend (Subject). He also reported that Subject had told him demonstrations were planned all over Germany on 1 May against American installations. This tip was gratuitous since C/3 was still functioning on his own. (In late May C/3 reported that he had seen Subject; however, through the month of June nothing more on Subject was brought up since C/3's case officer was on leave.)

5. In July, with both C/3 and his case officer back in regular contact with each other, C/3 again began urging that we set up a meeting with Subject. He stated that Subject would be a great asset and that Subject was receptive to the idea of working for us. In fact, C/3 reported, Subject wanted very much to meet and discuss the matter personally with someone. C/3 asked that to save his face we should at least go and meet Subject. C/3 was told that Subject should be patient and that in time he would be called upon. Finally, on 8 July the undersigned went along with the regular case officer to discuss with C/3 the degree to which Subject was willing to work for us and how discreet he (Subject) had been about such willingness. At that meeting, C/3 reiterated his assurances that Subject was a willing and able volunteer.

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| <p>6. On the basis of the 8 July meeting, Reference A was sent suggesting a direct case officer (undersigned) contact to Subject. In anticipation of perhaps being able to provide [] with an additional unilateral police (investigative) asset, the Station felt that since Subject was allegedly volunteering his services, an interview to determine exactly how Subject felt about future collaboration would be an acceptable risk. Further, in the initial interview, it was felt that the undersigned would be able to explore tactfully if in fact Subject was willing to accept an agent role and, if not, to deflect any raised eyebrows by blandly asserting that C/3 had indicated that Subject had in effect volunteered his services.</p> <p>7. The possibility that Subject had been reporting his contacts with C/3 was considered and it was decided to react to any entrapment or protest by stating that we were merely investigating an offer of collaboration which had been brokered by C/3.</p> <p>8. [] reaction to the above proposal was mirrored in Reference B which strongly urged that the proposed direct contact not take place, but rather that C/3 be asked to obtain specific information from Subject. While [] felt that this more cautious approach would be more time-consuming, it felt that at least more data could be obtained upon which to base a judgment of the potential value of Subject and at the same time protect us from a damaging situation. Headquarters concurred in this view, suggesting that no further action be taken pending Headquarters review (Reference C).</p> <p>9. The Station attempted to allay the misgivings of [] and Headquarters with a more detailed justification of our reasons for following through with a contact and suggested that we might even cut out C/3 from knowledge of the operation. The plan was to tell C/3 to alert Subject that a contact might be made and then follow through on the contact without telling C/3. With the subsequent concurrence of Subject, we would then deny to C/3 the fact of such unilateral cooperation. [] basically reiterated its former position (per Reference D), stating that it did not think that the Station could effectively cut out C/3 and reaffirming the belief that the attempt was not worth the effort given the limited prospects of productivity.</p> <p>10. At this stage, the Station decided to follow through on the original [] counter-suggestion that C/3 attempt to obtain more details from Subject before moving ahead. C/3 was accordingly instructed that a direct contact between a case officer and Subject was not yet possible for various reasons and that more data should be obtained. Since it appeared that a regular dialogue between C/3 and Subject already existed in this manner, the Station authorized C/3 to visit Subject in order to obtain the desired additional information. At this time, the Station believed it acted within the spirit and the letter of the admonitions issued by Headquarters and by [] and certainly within the limits of flexibility expected of a Station. The interpretation of the Station to the injunction of "no further action" (Reference C) was based on the accepted premise that direct officer contact was not desired, but that the continuation of contact by C/3 to Subject was accepted. The subsequently uncovered fact that C/3 was misinterpreting (or perhaps even misrepresenting) his degree of complicity with Subject, and that Subject in turn was playing C/3 along to our ultimate detriment, was of course a cause of personal and professional embarrassment to the Station.</p> | | |
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| <p>11. The Station, in References E and F, quickly took what steps it could to rectify the situation and to advise Headquarters and [] of the manner in which the steps were taken. The Station accepts the possibility that an error in judgment occurred, although had Subject not been reporting the approach to his superiors, the question would still be moot as to which approach was the better: a direct case officer contact or the continuation of the C/3 contact to his "friend." In similar situations, the operational judgment would again have to be made by the Station with Headquarters input and the cooperation of other interested elements.</p> <p>12. Finally, the objections implicit in Reference G that the actions were precipitate, uncoordinated, and not reported until well after the fact were in themselves perhaps too hastily drawn. The Station did retreat (reluctantly) from its planned course of action, after consulting with Headquarters and [] []. Perhaps the charge that some items were reported after the fact has validity, since C/3 was moving ahead on his own with only minor reporting in that regard being held by the Station; even so, the nature of his contacts to Subject did not present themselves in a way which forbode any special significance. The intimation that the Station took actions beyond the sphere of its normal responsibility and reported them after the fact is neither correct nor fair.</p> <p>13. By separate dispatch we are forwarding a complete progress report of our dealings with C/3 up to the present time.</p> <p>[] []</p> | | |
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